

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 IGA-02 CIAE-00 COME-00 EB-11

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FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 2972

C O N F I D E N T I A L SECTION 1 OF 2 MANAGUA 4599

E. O. 11652: GDS

TAGS: ELAB NU

SUBJECT: AIFLD COUNTRY ISSUE

REF: STATE 218879., 223393

1. FOLLOWING ARE CT COMMENTS ON COUNTRY ISSUE REGARDING
EXPANSION OF AIFLD PROGRAM IN NICARAGUA FOR CONSIDERATION IN
1974-1975 RAIONAL AIFLD PROGRAM REVIEW:

SHOULD THE PROGRAM BE EXPANDED?

2. IN PROPOSING EXPANDED AIFLD PROGRAM IN NICARAGUA, CT TAKES
INTO ACCOUNT (A) PRESENT UNDERDEVELOPMENT OF ORGANIZED LABOR
SECTOR IN NICARAGUA, (B) IMPROVED OPPORTUNITIES DURING THE NEXT
TWO YEARS FOR EXPANDING SIZE AND EFFECTIVENESS OF FREE AND
DEMOCRATIC LABOR GROUPS, AND (C) FRIENDLY ATTITUDE OF GON TOWARD
AIFLD. FOLLOWING ELABORATES ON THESE THREE POINTS:

(A) AT PRESENT ONLY ABOUT 2 PERCENT OF NICARAGUA'S WORK FORCE
BELONGS TO TRADE UNIONS WITH THE MAJORITY OF UNION MEMBERS
LOCATED IN THE CAPITAL. EVEN THIS MINIMAL STRENGTH IS FURTHER

DILUTED BY ORGANIZED LABOR'S DIVISION INTO CONTENDING FACTIONS--
FREE AND DEMOCRATIC, COMMUNIST, CHRISTIAN DEMOCRATIC AND
GOVERNMENT-CONTROLLED UNIONS. THE GON'S LONG STANDING POLICY
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OF KEEPING UNIONS WEAK AND DIVIDED CBR POLITICAL REASONS HAS

CONTRIBUTED TO ORGANIZED LABOR'S INEFFECTUALITY. THE NICARAGUAN WORKER'S INSTITUTIONAL STRUCTURES FOR DEFENDING HIS LEGITIMATE ECONOMIC AND SOCIAL INTERESTS--THE TRADE UNIONS--ARE THEREFORE SADLY DEFICIENT AT A CRITICAL TIME. AS IN OTHER PARTS OF THE WORLD, HIS INCOME IS BEING SERIOUSLY ERODED BY INFLATION. AT THE SAME TIME THE CAPITAL CITY, MANAGUA, WHICH ACCOUNTS FOR ONE QUARTER OF THE NATION'S POPULATION, IS REBUILDING--A PERIOD WHEN A STRONG LABOR VOICE IS NEEDED TO ASSURE THAT THE WORKERS' INTERESTS ARE TAKEN INTO ACCOUNT IN THE RECONSTRUCTION PROCESS.

(B) EVENTS IN POST-EARTHQUAKE NICARAGUA INDICATE THAT PROSPECTS FOR INCREASED MEMBERSHIP AND EFFECTIVENESS OF TRADE UNIONS ARE MUCH IMPROVED OVER PAST YEARS. MORE UNIONS ARE BEING FORMED AND THOSE EXISTING ARE GAINING MEMBERS. THIS CAN BE SEEN IN AIFLD ASSISTED LABOR GROUPS AS WELL AS OTHERS. WORKERS ARE INCREASINGLY SPEAKING OUT AGAINST MANAGEMENT ABUSES AND GON DECISIONS WHICH ADVERSELY AFFECT THEM. AN UNPRECEDENTED NUMBER OF STRIKES HAVE TAKEN PLACE THIS YEAR IN ATTEMPTS TO RESTORE WORKERS' BUYING POWER. SOME HAVE BEEN SUCCESSFUL, SOME HAVE NOT--DEPENDING UPON THE STRENGTH AND LEADERSHIP OF THE TRADE UNION INVOLVED. AS A RESULT, THE VALUE OF STRONG UNIONS AND RESPONSIBLE LEADERSHIP HAS BEEN IMPRESSED UPON NICARAGUAN WORKERS. WORKERS ARE ALSO INCREASINGLY AWARE OF THE NEED FOR UNIONS TO SPEAK FOR THEM DURING THE RECONSTRUCTION PERIOD WHEN IMPORTANT PRIVATE SECTOR AND GOVERNMENT DECISIONS ARE BEING MADE WHICH WILL DIRECTLY AFFECT THEIR LIVES FOR YEARS TO COME. THE LABOR MINISTRY IS BOMBARDED AS NEVER BEFORE WITH WORKER COMPLAINTS OF CONTRACT VIOLATIONS AND PETITIONS FOR INCREASED WAGES AND BENEFITS AND HAS REQUESTED AN INCREASED BUDGET TO COPE WITH THIS EXPANDED WORKLOAD. LABOR GROUPS WERE VERY ACTIVE IN OPPOSING THE RECENT 50 PERCENT INCREASES IN BUS FARES, IN AGITATING FOR IMPROVED PUBLIC TRANSPORTATION SERVICES, AND JOINED RANKS WITH THE MEDICAL SECTOR DURING THE HOSPITAL STRIKES TO DEMAND IMPROVED HEALTH CARE. IN SHORT, THE CT SEES THE COMING YEARS AS A PERIOD DURING WHICH TRADE UNIONS WILL BE GROWING AND WILL BECOME AN INCREASINGLY IMPORTANT ELEMENT IN NICARAGUAN SOCIETY. IT FEELS IT IS IN THE U. S. INTERESTS TO ASSURE THAT INsofar AS POSSIBLE THIS EMERGING FORCE IS FREE AND DEMOCRATICALLY ORIENTED.

(C) THE ABILITY OF AIFLD ASSISTED UNIONS TO ORGANIZE AND GROW
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DURING THIS ANTICIPATED PERIOD OF TRADE UNION EXPANSION IS IMPROVED BY THE GON'S FRIENDLY DISPOSITION TOWARD THE PROGRAM WHICH IT SEES AS THE BEST ALTERNATIVE TO COMMUNIST EXPANSION ON THE LABOR FRONT. THE CT HARBORS NO DELUSIONS ABOUT THE PRAGMATIC NATURE OF THIS SUPPORT REALIZING THAT THE GON IS BASICALLY MANAGEMENT ORIENTED AND IS PRIMARILY INTERESTED IN MAINTAINING CONTROL OVER THE LABOR UNION MOVEMENT. THE SMALL BUDGET OF THE LABOR MINISTRY, THE SMALLEST IN CENTRAL AMERICA, ATTESTS TO ITS

LACK OF INTEREST IN ENFORCING LABOR LEGISLATION FAVORABLE TO THE WORKER. HOWEVER, GOVERNMENT LEADERS IN THE FACE OF INCREASED LABOR ACTIVITY AND ESPECIALLY AFTER THE JOLTS OF TWO MAJOR STRIKES IN THE CRITICAL CONSTRUCTION INDUSTRY AND A NATION-WIDE STRIKE IN THE MEDICAL SECTOR ACCEPT THE PROBABLE GROWTH OF UNION STRENGTH IN COMING YEARS. THE GON FURTHER REALIZES THAT ITS OWN OFICIALISTA (GOVERNMENT CONTROLLED) LABOR MOVEMENT IS DISCREDITED IN LABOR CIRCLES AND INCAPABLE OF CAPITALIZING ON THIS TREND. IT, THEREFORE, PREFERS THAT AFLD ASSISTED FREE AND DEMOCRATIC UNIONS--EVEN THOUGH INDEPENDENT OF ITS DIRECT CONTROL--COME TO THE FORE. THE ALTERNATIVE OF COMMUNIST OR CHRISTIAN DEMOCRATIC UNIONS, WHICH THE GON REGARDS WITH EQUAL POLITICAL DISTRUST, GAINING STRENGTH HAS NO APPEAL TO IT.

3. IN THE SHORT RUN, THE USG IS HEAVILY COMMITTED TO ASSISTING NICARAGUA TO REBUILD MANAGUA AND HAS A LONG TERM COMMITMENT TO ASSIST ECONOMIC DEVELOPMENT OF THE COUNTRY. IN KEEPING WITH NEW USAID STRATEGY, THIS COMMITMENT IS PRIMARILY DIRECTED TOWARD IMPROVING THE QUALITY OF LIFE FOR LOWER INCOME GROUPS. NICARAGUA'S CAPITALIST SYSTEM FUNCTIONS IN THE AREA OF LABOR-MANAGEMENT RELATIONS AS A MARKET ECONOMY WITH A VENGEANCE. IF THE WORKER CANNOT STAND ON HIS OWN AND ASSERT HIS RIGHTS, HE WILL BE OVERWHELMED AND INEVITABLY SHORT-CHANGED BY MANAGEMENT WITH TACIT IF NOT OVERT CONSENT FROM THE GOVERNMENT. CT FEELS WE HAVE AN OBLIGATION TO BALANCE OUR EXPANDED POST-EARTHQUAKE ASSISTANCE TO THE PUBLIC AND INDIRECTLY THE PRIVATE SECTOR WITH AN EXPANDED PROGRAM TO HELP RAISE THE WORKING MAN'S INSTITUTIONAL DEFENSES--TRADE UNIONS--TO A LEVEL WHERE HE CAN COMPETE FAIRLY FOR THE ADVANTAGES OF THE DEVELOPMENT WE SEEK TO STIMULATE.

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ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 IGA-02 CIAE-00 COME-00 EB-11

INR-10 LAB-06 NSAE-00 RSC-01 SIL-01 CU-04 SS-20 L-03

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FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 2973

C O N F I D E N T I A L SECTION 2 OF 2 MANAGUA 4599

WHAT SECTORS SHOULD BE FOCUSED ON?

4. CT HAS CAREFULLY CONSIDERED GUIDANCE PROVIDED IN STATE 223393 IN EXAMINING MAIN THRUST OF AIFLD PROGRAM WHICH IT PROPOSES FOR NICARAGUA IN 1974-1975, AND BELIEVES PROGRAM IS IN MOST RESPECTS IN ACCORD WITH THAT GUIDANCE. OUR RESPONSE TO STATE 223393 WILL CONTAIN DETAILS OF PROPOSED 1974-1975 BUDGET WITH NARRATIVE STATEMENT CONCERNING HOW GUIDANCE HAS BEEN CONSIDERED IN RECOMMENDED LABOR PROGRAM ANNEX. MEANWHILE, FOLLOWING ARE CT COMMENTS ON FOCUS OF PROPOSED AIFLD PROGRAM FOR THE COMING YEAR:

5. CT FEELS PRIMITIVE STATE OF ORGANIZED LABOR IN NICARAGUA ARGUES FOR OUR DISENGAGING FROM TRADITIONAL KIND OF IAFLD TRAINING AND EDUCATIONAL PROGRAMS OVER THE NEXT TWO YEARS OR SO RATHER THAN ABRUPTLY TERMINATING THIS TYPE OF ASSISTANCE. IN THE COMING YEAR, BASIC LEVEL EDUCATIONAL COURSES, FOR INSTANCE, WILL BE ESPECIALLY IMPORTANT AMONG AGRICULTURAL WORKERS WHO LACK ESSENTIAL BASIC TRAINING ON NATURE AND FUNCTION OF TRADE UNIONS. AS POINTED OUT IN EMBASSY'S A-69, WE REGARD AGRICULTURAL WORKERS IN BANANA SECTOR AS PARTICULARLY IMPORTANT FOR ORGANIZED LABOR IN NICARAGUA IN FUTURE YEARS.

6. NONETHELESS OF \$55,425.00 ALLOTTED FOR PROPOSED AIFLD EDUCATION PROGRAM IN 1975-1975, ONLY ABOUT 5 PERCENT IS BUDGETED FOR ONE-WEEK TRADITIONAL BASIC COURSES. THESE DESPITE THE LOW FUNDING
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LEVEL WILL TRAIN SOME 700 WORKERS IN THE ESSENTIALS OF TRADE UNIONISM, ABOUT HALF OF WHICH WILL BE RURAL WORKERS. COMPARATIVE LOW UNIT COST IS MADE POSSIBLE BY CLOSE COOPERATION FROM LOCAL TRADE UNION PERSONNEL. BULK OF EDUCATIONAL PROGRAM WILL BE DEDICATED TO MORE ADVANCED LABOR TRAINING--TWO FOUR-WEEK ADVANCE "RESIDENTIAL" COURSES, TEN TWO-WEEK INTERMEDIATE "SPECIAL" SEMINARS (THREE FOR AGRICULTURAL WORKERS), AND ONE "BASIC LABOR ECONOMIC COURSE.". IN ADDITION, \$3,500 IS SET ASIDE FOR FRONT ROYAL AND LABOR ECONOMIST SCHOLARSHIPS. ADVANCED TRAINING PROVIDED TO RECIPIENTS OF THESE SCHOLARSHIPS HAS IN THE PAST PROVEN TO BE PARTICULARLY BENEFICIAL TO THE NICARAGUAN LABOR MOVEMENT.

7. IN KEEPING WITH USAID OBJECTIVES OF TARGETING RURAL AS WELL AS URBAN LOWER INCOME GROUPS, UNDER PROPOSED PROGRAM FOR 1974-75 AIFLD WILL DEDICATE APPROXIMATELY 30 PERCENT OF ITS EDUCATIONAL PROGRAM TO AGRICULTURAL WORKERS. THIS ASSISTANCE WILL INCLUDE AIFLD'S ONGOING "CAMPESENO PROGRAM" OF BASIC AND INTERMEDIATE

TRAINING AND ADVANCED "RESIDENTIAL" LABOR LEADERSHIP TRAINING.

8. OTHER IMPORTANT TARGET GROUPS WHICH AIFLD WILL EMPHASIZE IN THE COMING YEAR ARE TEXTILE WORKERS, CONSTRUCTION WORKERS, AND EMPLOYEES OF THE SOCIAL SECURITY INSTITUTE. THE NATIONAL TEACHERS' CONFEDERATION WHICH AIFLD ASSISTS WILL ALSO CONTINUE TO RECEIVE AN IMPORTANT SHARE OF AIFLD ASSISTANCE.

9. TEXTILE WORKERS - THERE ARE SOME 3,000-4,000 EMPLOYEES OF TEXTILE FACTORIES IN MANAGUA MAKING THEM AN IMPORTANT SEGMENT OF THE LOCAL WORK FORCE. UNSUCCESSFUL STRIKES BY TEXTILE WORKERS IN RECENT MONTHS HAVE LEFT EXISTING TRADE UNIONS IN DISARRAY OPENING THE WAY FOR INCREASED AIFLD TRAINING TO PREPARE RESPONSIBLE LEADERSHIP AND FOR THE FREE DEMOCRATIC LABOR MOVEMENT TO PICK UP THE PIECES.

10. CONSTRUCTION WORKERS - THE CRITICAL CONSTRUCTION INDUSTRY IN MANAGUA WILL IN THE COMING YEAR BE DOUBLING ITS WORK FORCE. THIS INFLUX OF NEW WORKERS OFFERS A GOOD OPPORTUNITY FOR AIFLD TO BEGIN TRAINING CONSTRUCTION WORKERS IN DEMOCRATIC TRADE UNIONISM FROM WHICH THE FREE AND DEMOCRATIC LABOR MOVEMENT CAN BE EXPECTED TO PROFIT. CT HOPES THAT THIS EFFORT WILL CREATE ALTERNATIVE TO PRESENT COMMUNIST-CONTROLLED CONSTRUCTION WORKERS
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UNIONS, SCAAS, WHICH WITH ITS 5,000-6,000 MEMBERSHIP NOW MONOPOLIZES REPRESENTATION OF CONSTRUCTION WORKERS IN MANAGUA.

11. SOCIAL SECURITY EMPLOYEES - SETINSS, THE SOCIAL SECURITY INSTITUTE EMPLOYEES, WITH APPROXIMATELY 700 MEMBERS HAS RECENTLY OUSTED ITS PRESIDENT OF TEN YEARS WHO IS CHARGED WITH MISUSE OF UNION FUNDS, AND HAS ELECTED NEW LEADERSHIP. THE NEW HEAD OF SETINSS IS A GRADUATE OF AIFLD TRAINING AND HAS ALREADY APPROACHED AIFLD REGARDING TRAINING OF HIS UNION'S MEMBERSHIP. SUCH ASSISTANCE WILL BE IN KEEPING WITH USAID TARGETING OF HEALTH SECTOR FOR ASSISTANCE AS SOCIAL SECURITY INSTITUTE PROVIDES HEALTH CARE TO MAJOR PORTION OF NICARAGUA'S LOWER-INCOME GROUPS IN MANAGUA AND SOME DEPARTMENTAL CAPITALS. STRONG TRADE UNIONS WILL HELP TO INSURE BETTER SALARIES AND WORKING CONDITIONS IN THE HEALTH SECTOR WHICH WILL ENCOURAGE CAPABLE PERSONNEL TO ENTER AND REMAIN IN THIS FIELD. UNIONS ALSO ENCOURAGE PROFESSIONAL RESPONSIBILITY WHICH IS DIRECTED TOWARD MAINTAINING HIGHER STANDARDS OF HEALTH CARE. THIS COULD BE SEEN DURING THIS YEAR'S STRIKES IN THE HEALTH SECTOR WHEN EMPLOYEES DEMANDED IN ADDITION TO BENEFITS FOR THEMSELVES BETTER EQUIPMENT AND CARE FOR PATIENTS. ALSO IN THE HEALTH SECTOR, AIFLD IS ASSISTING NURSES GROUPS IN RURAL COMMUNITIES OF CHINANDEGA AND RIVAS AND WILL CONTINUE SUCH ASSISTANCE IN THE COMING YEAR UNDER THE PROPOSED BUDGET.

12. TEACHERS - RECENTLY EXTENDED LEGAL RECOGNITION THE FIVE - THOUSAND STRONG AIFLD ASSISTED NATIONAL TEACHERS' CONFEDERATION BECAUSE OF ITS LARGE SIZE AND THE RELATIVE SOPHISTICATION OF ITS MEMBERS, OFFERS GOOD PROSPECTS FOR EMERGING AS A DYNAMIC COMPONENT OF NICARAGUA'S FREE AND DEMOCRATIC LABOR MOVEMENT. IT WILL RECEIVE GENERAL AIFLD TRAINING ASSISTANCE IN THE COMING YEAR AND IS THE STRONGEST CANDIDATE FOR INITIATING SOCIAL PROJECTS WHICH WILL SERVE AS A MODEL FOR OTHER LABOR GROUPS.
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